United Nations A/60/178

General Assembly

Distr.: General
1 August 2005

Original: English

Sixtieth session
Item 68 (a) of the provisional agenda*
New Partnership for Africa's Development: progress in implementation and international support

New Partnership for Africa's Development: third consolidated report on progress in implementation and international support

Report of the Secretary-General

Summary

Four years have elapsed since the New Partnership for Africa's Development (NEPAD) was adopted by African leaders. Since the second consolidated report, there have been important regional actions and greater international response in support of Africa's development. In particular, there has been unprecedented mobilization of international public opinion in support of Africa. The present report examines progress achieved in the past year and calls attention to some of the continuing challenges and constraints in the implementation of NEPAD. It has drawn on the report of the Secretary-General's Advisory Panel on International Support for NEPAD entitled "From rhetoric to action: mobilizing international support to unleash Africa's potential" (see A/60/85). The panel's report has made an important contribution to the process of thoughtful policy dialogue and advocacy on international support for Africa. It has reinforced the message of the United Kingdom-led Commission for Africa, "Our common interest", and the United Nations millennium project, "Investing in development: a practical plan to achieve the Millennium Development Goals", published earlier in 2005, which called for more international support for Africa. Recent pledges of support to Africa by its development partner Governments are a promising and welcome development. This is a moment of opportunity for making progress in Africa's development for which NEPAD is the main policy framework. The central challenge is to grasp the opportunity and maintain the momentum by ensuring that African Governments intensify their efforts to implement NEPAD, while the development partners honour their commitments to support Africa.

* A/60/150.

05-44890 (E) 130905

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I. Introduction

1. The present report is submitted in compliance with the request made by the General Assembly in its resolution 59/254 for the Secretary-General to submit a comprehensive report to the Assembly at its sixtieth session on the progress achieved in implementation of and international support for the New Partnership for Africa's Development (NEPAD).

2. Four years have elapsed since NEPAD was adopted by African leaders. Thus far, 2005 has been marked by important regional actions and greater international response in support of Africa's development. The present report examines progress achieved since the second consolidated report and calls attention to some of the continuing challenges and constraints in the implementation of NEPAD. The preparation of the present report has benefited from information, data and analyses provided by Member States, regional organizations, the NEPAD secretariat and various entities of the United Nations system. Information on the supportive activities undertaken by the private sector and civil society have been woven into various parts of the report.

3. The report has also drawn on the report of the Secretary-General's Advisory Panel on International Support for NEPAD, entitled *From rhetoric to action: mobilizing international support to unleash Africa's potential* (see A/60/85). The Secretary-General endorses the broad orientation for international support for NEPAD set out in the report. In particular, the Secretary-General embraces the central premise of the report, namely that international support is vital both to achieve the objectives of NEPAD and to sustain current efforts at political and economic reforms and development. The Secretary-General also approves the two-fold central message of the panel's report: that NEPAD cannot succeed without a significant increase in support from the international community and that unleashing Africa's potential for development requires harnessing the creativity and dynamism of private initiative in a range of areas, including in agriculture, industry, science and technology, and infrastructure development.

4. Many of the recommendations made by the panel have been integrated into various parts of the present report. The panel's report has made an important contribution to the process of thoughtful policy dialogue and advocacy on international support for Africa. It has reinforced the message of the United Kingdom-led Commission for Africa, "Our Common Interest", and the United Nations Millennium Project, "Investing in development: a practical plan to achieve the Millennium Development Goals", published earlier in 2005, which call for more international support for Africa.

II. Actions by African countries and organizations

5. NEPAD aims to generate broad-based and equitable growth that allows Africa to reduce poverty and integrate better into the world economy. Turning that promise into action is a complex and painstaking process requiring effective implementation of the key priority areas of NEPAD. A distinctive feature of NEPAD is its two-track approach to the implementation process: national Governments assume responsibility for implementing NEPAD programmes at the national level, while regional economic communities, or, where appropriate, joint ventures between

national Governments, are the preferred vehicles for implementation of the agreed projects with regional or subregional dimensions.

Infrastructure

6. The NEPAD secretariat is currently facilitating the implementation of and seeking support for the agreed actions on capacity-building of regional economic communities and scaling up implementation of infrastructure projects. The agreed priority projects include: capacity-building for NEPAD-implementing agencies, including regional economic communities; institutional coordination; mobilization of resources; and information-sharing and monitoring. In support of capacity-building, the African Development Bank has approved an institutional strengthening project for the Economic Community of Central African States (ECCAS) and will provide further support by assigning a long-term infrastructure expert to the NEPAD secretariat. Moreover, as part of support to NEPAD, the African Development Bank, in collaboration with the NEPAD secretariat, undertakes annual reviews of the progress made in the Short-term Action Plan (STAP) for infrastructure. The 2005 review of the action plan was held in July.

7. Work in the transport sector has focused on improving the efficiency of the transport corridor by identifying and removing physical and non-physical barriers and introducing the concept of "one-stop border posts" on a pilot basis along the borders of two participating countries. The corridors include the Mombasa-Nairobi-Addis Ababa Road Corridor project, which has been approved for financing by the African Development Bank. In collaboration with the World Bank, the African Development Bank is also financing the implementation of the Yamoussoukro Decision on air transport liberalization, airport security and air safety in the regions of the Economic Community of West African States (ECOWAS) and ECCAS. Over the next 12 months greater focus will be placed on the Spatial Development Initiative approach to infrastructure provision and development along transport corridors.

8. In the water supply sector, progress has been made in the development of transboundary water resources management programmes. With the assistance of the African Development Bank, 22 projects were developed in the seven river basins of the Niger, Senegal, the Nile, the Democratic Republic of the Congo, Lake Chad, Zambezi and Okavango. About US$7.2 million in funding will be needed to implement these activities. Integrated water resources management plans at river basin levels are being developed with the financial assistance from the European Union Water Initiative in the river basins of the Volta, the Niger, Lake Chad, Lake Victoria/Kagera and Orange-Senqu. Following the launch of the Rural Water Supply and Sanitation Initiative, the African Development Bank has pledged 30 per cent of the $14.7 billion required for the support of the programme aimed at assisting countries to achieve the Millennium Development Goals in water and sanitation. The African Water Facility, hosted by the African Development Bank, is now functional and has received about $75 million in donor commitments. This facility is expected to raise about $600 million per year by 2006-2007.

9. In the energy sector, the NEPAD secretariat and the African Development Bank have held meetings with the Democratic Republic of the Congo to expedite the Greater Inga Integrator Study. The study aims to assess the feasibility of

developing the hydropower potential at Grand Inga to supply the subregions of Africa and transmit the surplus power to neighbouring continents. The African Development Bank has earmarked $10 million for this study and has approved financing for the Ethiopia-Djibouti Power Interconnection project and for a hydropower project and transmission feasibility study in the Organisation pour la mise en valeur du fleuve Gambie. The West Africa Gas pipeline, which is expected to supply clean and affordable energy from Nigeria to Benin, Togo and Ghana, is well under way. In December 2004, Chevron Texaco, Nigeria National Petroleum Corporation, Shell and Takoradi Power Company (Volta River Authority) committed more than $500 million towards the construction of the pipeline. So far, 170 kilometres of pipe have been laid. Land acquisition and detailed engineering design as well as construction of both onshore and offshore pipelines are expected to take place in the second half of 2005. The first gas delivery is expected to take place in December 2006.

10. Seven physical projects and two additional studies (with an estimated cost of over $500 million) are under consideration in 2005 by the African Development Bank. Moreover, the number of regional infrastructure projects will increase, as projects currently under preparation with the support of the Canadian Infrastructure Project Preparation Facility (IPPF) become ready for financing and implementation. The African Development Bank has launched the preparation of four multinational projects under IPPF, including the COMTEL and the Benin-Togo-Ghana electricity interconnection projects. It is envisaged that in 2005 approvals will be granted for the preparation of at least four additional projects under the facility. In parallel with the implementation of the Short-term Action Plan, the African Development Bank recently launched a study on the Medium to Long-term Strategic Framework.

Information and communication technology

11. The NEPAD e-schools demonstration is considered a critical element in the implementation of the NEPAD e-Schools Initiative. The launching of the e-schools demonstration project is intended to take place over a one-year period. The planning phase of the demonstration is almost completed. The first demonstration, which started in July 2005, will be launched in 20 countries over a four-month period. The following are first-phase countries participating in the NEPAD project: Algeria, Angola, Benin, Burkina Faso, Cameroon, the Democratic Republic of the Congo, Egypt, Ethiopia, Gabon, Ghana, Kenya, Lesotho, Mali, Mauritius, Mozambique, Nigeria, Rwanda, Senegal, South Africa and Uganda.

12. The first phase will be implemented in the first 20 nations that have signed up for the African Peer Review Mechanism. It is expected that implementation in the first set of demonstration schools (phase I) will be completed in all participating countries by October 2005. Memorandums of understanding will be signed by all implementation partners for each participating country during 2005. Other ongoing activities include work on the satellite infrastructure to provide Internet connection to schools, the development of capacity-building of country project implementation agencies and the development of a NEPAD e-schools business plan. These activities are to be completed in the fourth quarter of 2006.

13. The feasibility analysis for the East African Submarine System (EASSy) project was finalized in March 2005. Fifteen African companies have signed the

memorandum regarding the cable that will link Durban, South Africa, to Port Sudan, the Sudan via countries along the east coast. The cost of the project is estimated at approximately $200 million. Tenders will be issued in the third quarter of 2005, and the contract is expected to be signed during the same period. The parties that have signed the memorandum of understanding are anticipated to raise about 60 per cent of the total financing. The remaining amount will be raised from loans and through other financial arrangements. Recently, during the Project Management Committee meeting of EASSy, held in Khartoum, the African Development Bank agreed to support the overall preparation (up to the financing stage) through the IPPF. The NEPAD e-Africa commissions, in collaboration with other stakeholders including Telecos, policymakers and regulators, have agreed on a basic broadband regional information and communication technology network in eastern and southern Africa. Project initiators took ownership of individual links. Similar initiatives are planned for West and North Africa.

Health

14. Various countries have used the NEPAD Health Strategy in advancing their health plans, demonstrating the successful efforts of the NEPAD secretariat and other parties in advocating policies, plans and projects in the African Union/NEPAD Health Strategy. In particular, there is recognition of the scale of what is needed to get Africa back on track to reach the Millennium Development Goals for health. For example, the United Kingdom Commission for Africa has recommended that a third of the proposed increased development aid be allocated to health. In Central Africa a gap analysis between country health plans and the NEPAD Health Strategy was undertaken at the request of the African Ministers of Health. Based on a review of documents and field visits to countries, proposals on the needed actions at the regional and country levels were submitted to the ministers. Regional economic communities have also responded to the call and started playing a more effective role in the health sector.

15. To be delivered effectively, most of the elements of disease-based programmes need a functional health service. The lack of skilled human resources in the health sector is getting more attention. The NEPAD secretariat and an African non-governmental organization (NGO), the African Council for Sustainable Health Development, co-hosted a consultation meeting on this issue. The NEPAD secretariat is working on establishing multi-stakeholder platforms to enable countries to obtain the developmental support required to reach the Millennium Development Goals by training an adequate number of health workers. It is also working on identifying critical actions to address this challenge, including how to respond to the massive departure of health professionals who seek better opportunities in advanced countries.

16. HIV/AIDS has been mainstreamed into the work of all NEPAD programmes, and the provision of antiretroviral treatment on the continent is expanding. The NEPAD Health Strategy is committed to advocating for and supporting the provision of affordable antiretroviral therapy in Africa. The NEPAD "Fight Against AIDS" plan adopted by the NEPAD Steering Committee provides an overarching framework to address HIV/AIDS and its impact on the continent. The NEPAD secretariat and the Commissioner for Social Affairs of the African Union submitted a joint report to the Heads of State of the African Union Summit, held in Abuja in

January 2005. The report and recommendations in the "Interim situational report on HIV/AIDS, tuberculosis, malaria and polio: framework on action to accelerate health improvement in Africa" have been endorsed by the Heads of State of the African Union. The NEPAD secretariat has also participated in an African Union Commission-led process to develop a strategic plan for HIV/AIDS that demonstrates its key role in combating the epidemic. The NEPAD secretariat has identified the lack of African centres of excellence, knowledge institutions and networks of stakeholders as a critical gap in health delivery and management.

Education

17. Several projects developed in 2004 in the education and training sector are currently at various stages of implementation. The "Basic Education and Education for All" project has various components. The first one relates to the planned NEPAD Basic Education Conference for the Southern African Development Community region. The second proposal has been submitted for the joint NEPAD-United Nations Educational, Scientific and Cultural Organization Priority Programme for Primary/Basic Education in Africa. The "Building Capacity in Education Research and Development in Africa" project, a proposal to develop a database of research and development projects for secondary schools in Africa, has been completed and submitted to development partners for funding. Under the "Gender Equality in Primary and Secondary Schools in Africa" project, the NEPAD secretariat has identified the ECOWAS region as a priority area for accelerated government commitment to gender equality. For the "School Feeding and Nutritional Projects", negotiations about implementation between NEPAD and three countries — Angola, the Democratic Republic of the Congo and Mozambique — are still in progress.

18. For the "Distance Education and Teacher Training and Development" project, as a first step, a baseline study has been undertaken in Angola, the Democratic Republic of the Congo and Mozambique in collaboration with the University of South Africa, the African Virtual University, the Commonwealth of Learning and the National Open University of Nigeria, with funding provided by the Japanese International Cooperation Agency. A second stage of the project includes submitting the reports to the Ministers of Education of the three countries to obtain commitments, as well as securing additional funding. For the "Education in Post-conflict Environments: Mathematics, Science and Technology Education for Teachers" project, missions are currently planned by the NEPAD secretariat and SMASSE-WECSA Association (Strengthening of Mathematics and Science in Secondary Education — Western, Eastern, Central and Southern Africa) to five post-conflict countries (Angola, the Democratic Republic of the Congo, Mozambique, Rwanda and the Sudan). As for the "NEPAD Centres of Excellence" project, the proposal is being finalized, and the NEPAD secretariat is in the process of raising resources. For the "Putting HIV/AIDS into the Mainstream of the Education Sector in Africa" project, a proposal including primary, secondary and tertiary education has been developed by the NEPAD secretariat and submitted to various partners for support. A NEPAD secretariat proposal has been completed and submitted to development partners for the "Institutional Cooperation in Higher Education and Training within the Southern African Development Community (SADC)" project.

Environment and tourism

19. In support of the effort to develop subregional environment plans and as a follow-up to the decision made at the Partners' Conference on the NEPAD Environment Plan in Algiers in December 2003, the Global Environmental Facility (GEF) Medium-size Project on the Capacity-building Programme for the Development of Subregional Environmental Action Plans has been created. The total cost of the medium-size project is around $1.13 million, with a GEF grant of about $1 million. The capacity-building project is composed of three main components: (a) the development of five Subregional Environmental Action Plans (SREAPs); (b) a stock-taking exercise, gap analysis and finalization of bankable projects; and (c) the establishment of a technical support unit. Consultative meetings to review each draft of NEPAD SREAPs were undertaken in central Africa (Libreville), eastern Africa (Djibouti), northern Africa (Algiers), southern Africa (Gaborone) and western Africa (Abuja). These meetings involved representatives from regional economic communities, national Ministries of Environment and civil society organizations as well as development partners working in the region. The revised drafts will be presented for adoption by the respective Ministers of Environment of the subregions in 2006.

20. The African Union/NEPAD Tourism Action Plan was adopted by the forty-first meeting of the World Tourism Organization Commission for Africa, held in Mahé, Seychelles, in May 2004, and, subsequently, at the third General Assembly of the African Union, held in Addis Ababa in July 2004. In collaboration with the South African Department of Environmental Affairs and Tourism and the Government of Spain, the NEPAD secretariat has contributed to the implementation of the African Union/NEPAD Tourism Action Plan priority areas of strengthening institutional capacity and reinforcing human resources and quality assurance. This initiative culminated in a Tourism and Development Seminar, held in Johannesburg, South Africa, in May/June 2005, with the aim of fostering awareness of tourism as a development tool for Africa as well as creating opportunities for African countries, to learn and share experiences on tourism development initiatives. The seminar attracted senior government officials from various countries, including Angola, Botswana, Ethiopia, Ghana, Kenya, Lesotho, Mozambique, Namibia, Nigeria, South Africa, Swaziland, Uganda and the United Republic of Tanzania.

Agriculture

21. The articulation of the road map for the implementation of the Comprehensive Africa Agriculture Development Programme (CAADP) was the most important development during the past year. As part of the effort to implement the road map, four subregional implementation planning meetings under the direction of lead regional economic communities were held for various subregions, namely, for eastern and central Africa, in the United Republic of Tanzania in January 2005, for southern Africa, in Mozambique in February 2005, for western Africa, in Mali in March 2005, and for northern Africa, in Egypt in April 2005. These planning meetings have allowed regional economic communities and their member countries to define subregional priorities, which include a set of early actions to be implemented within a 12-month period in order to launch the implementation process, as well as institutional arrangements for coordination and performance

monitoring. The meetings have firmly established regional economic communities and member countries as primary implementers. They have also set the stage for direct engagement between development partners, national Governments, private sector operators and farmers' organizations on the basis of concrete programmes. It is expected that the agreed follow-up actions to these meetings would soon be implemented with the objective of conducting business in a different manner, with particular focus on innovations, new alliances and linkages. During these subregional consultations, the NEPAD secretariat proposed establishing regional knowledge support systems for agriculture strategy formulation and implementation in each of Africa's four major regions. Their aim is to improve sector governance, strategy formulation and implementation by providing access to adequate benchmarks, best practices and statistical information.

22. As a follow-up to the subregional meetings, a high-level meeting, involving the participation of regional and international agrobusiness, regional economic communities and development partners' representatives, was held in Accra in May 2005. The meeting recommended that African countries strengthen the capacities of the NEPAD secretariat and the regional economic communities. Development partners committed their support to the agricultural sector, which will be manifested through their assistance to the implementation of CAADP priority action plans. The need for quick implementation of budget tracking systems to monitor compliance by national Governments with the commitment to distribute 10 per cent of their national budget to agriculture was underlined. Various development institutions are working to facilitate faster implementation of CAADP. For example, the United States Agency for International Development and the Food and Agriculture Organization of the United Nations have taken the lead in resource mobilization by providing support to the CAADP implementation road map. The World Bank has provided some financial assistance to the NEPAD secretariat to develop a tracking system that will monitor compliance with the 10 per cent allocation stipulation to the agriculture sector. It has also launched the preparation of the Multi-country Agricultural Productivity Programme (MAPP) in three regional economic communities (SADC, ECOWAS and ECCAS) in the amount of about $60 million. In addition, the World Bank has established a Fisheries Seed Fund in the amount of $60 million for the sustainable management of large marine ecosystems in selected countries in western, southern and eastern Africa. The African Development Bank is currently working with SADC on a $150 million programme to support water management and irrigation in southern Africa. It has also provided $30 million to support "New Rice for Africa" rice development in West Africa.

23. The United States of America, through its "Initiative to End Hunger in Africa", has budgeted $47 million for 2005 to finance CAADP implementation. Through the Department for International Development, the Government of the United Kingdom is undertaking various initiatives to support the CAADP agenda. The International Fund for Agricultural Development (IFAD) is working with the NEPAD secretariat to ensure that cassava farmers (cassava being one of the major staple foods in Africa) can access financial services and markets. In line with CAADP, IFAD has been designing the West and Central Africa Regional Marketing Initiative for cassava. This initiative would facilitate development of synergies between country programmes and improve the farmers' access to regional and international markets.

Science and technology

24. African countries have established a high-level political and policy platform for science and technology — the African Ministerial Council on Science and Technology (AMCST) — to provide leadership in identifying and implementing specific research and technology development projects. This body, which includes ministers responsible for science and technology in all African countries, is supported by a technical steering committee and advisory panels on specific policy and technical issues. The high-level forum has started to critically examine emerging science and technology issues and their implications for Africa's sustainable development.

25. African Governments have also established networks of centres of excellence dedicated to the development and application of science and technology aimed at addressing specific food production, human health and environmental challenges. The NEPAD Biosciences Network has four hubs of leading laboratories in Egypt, Kenya, South Africa and Senegal. African countries have also completed and adopted a strategic framework for establishing regional centres for water sciences and technology development. These will produce, apply and create scientific as well as technical skills. Furthermore, African leaders are committed to policy and institutional reforms. A growing number of countries (Botswana, Rwanda, Nigeria, the Democratic Republic of the Congo, Kenya and Uganda) are redesigning policies and reforming science and technology institutions. Egypt has just adopted a comprehensive plan for developing science and technology. South Africa adopted its science and technology strategy in 2002 and is making the necessary institutional reforms. The NEPAD secretariat has developed guidelines and indicators for surveying national science, technology and innovation systems. Some African countries are using these to improve their national policies.

26. Responding to the need for well-informed and credible policy on matters of science and technology, African Governments are creating specialized advisory panels on specific issues. Two such mechanisms have been created: the African Union/NEPAD high-level panel of eminent persons to advise on issues pertaining to biotechnology; and an expert working group on science, technology and innovation indicators. AMCST is charting a long-term plan for science and technology. Its second meeting, to be held in Dakar in September 2005, will consider for adoption a comprehensive African Union/NEPAD strategic plan for science and technology. Some of the next actions are likely to include the establishment of a presidential forum on science and technology, and the creation of regional financial mechanisms for research and development.

Industrialization

27. In July 2004, the Assembly of the African Union endorsed the Africa Productive Capacity Initiative (APCI) as the NEPAD Sustainable Industrial Development Strategy. In particular, it requested that the Commission of the African Union and the NEPAD secretariat provide assistance to the member States in their implementation of the strategy through the development of the concrete action plans. The implementation phase of APCI commenced with the convening of a subregional meeting for the West African region in November 2004. An action plan has been developed for the subregion in line with the priority sectors elicited in

APCI. This action plan has the following six points as its core: (a) identification of priority programmes/actions for the priority sectors; (b) harmonization of industrial policy at the subregional level; (c) financial contribution for setting up the flexible APCI support facility; (d) creation of observatories of competitiveness, productive capacities, and employment; (e) support to the establishment of centres of excellence at the service of enterprises and entrepreneurship; and (f) establishment of a follow-up mechanism. Planning for other subregions is ongoing with the objective to ensure that all industrial road maps for subregions are developed and presented at the next Conference of African Ministers of Industry (CAMI) to be held in Cairo by the end of 2005.

28. The two key challenges that stand in the way of the expeditious implementation of APCI are resource mobilization and popularization of the initiative. Resources have not been forthcoming in support of the initiative, especially €5 million rolled over from the Second Industrial Development Decade for Africa. In response, the NEPAD secretariat is assisting CAMI in setting up an APCI support group that will concentrate on raising the needed resources from international as well as domestic donors. The support group will also seek to pursue an aggressive campaign to raise awareness of the initiative.

African Peer Review Mechanism

29. To date, 23 African countries have signed up for review. These countries are Algeria, Angola, Benin, Burkina Faso, Cameroon, the Congo, Egypt, Ethiopia, Gabon, Ghana, Kenya, Lesotho, Malawi, Mali, Mauritius, Mozambique, Nigeria, Rwanda, Senegal, Sierra Leone, South Africa, Uganda and the United Republic of Tanzania.

30. Of these countries, five of them, namely, Ghana, Kenya, Mauritius, Nigeria and Rwanda, have received support missions aimed at assessing the preparedness and capacity of the country in the review mechanism, in particular to introduce self-assessment and prepare a national action plan. A support mission to Algeria was scheduled for the last week of July 2005 and those to Mozambique and South Africa are planned for the second half of 2005. Mauritius has submitted a self-assessment report and is preparing for the country review visit by the African Peer Review panel.

31. Self-assessment reports were prepared by both Ghana and Rwanda and submitted to the African Peer Review secretariat in the second half of March 2005. Subsequently, the Peer Review panel undertook country reviews for Ghana and Rwanda and presented their report at the African Peer Review Forum in Abuja in June. Both reports were noted by the Forum and are scheduled for discussion (peer review) in August 2005 at the next session of the Forum.

32. The implementation of APRM is supported through a trust fund for which the United Nations Development Programme (UNDP) is providing management support at the request of the African Peer Review Forum, while other organizations, such as the Economic Commission for Africa, provide technical assistance. The trust fund is financing the operational activities of the panel and the African Peer Review secretariat. Algeria, Egypt, Nigeria and South Africa made pledges to the financing of APRM in the amount of $1 million each at the 12th meeting of the NEPAD Heads of State and Government Implementation Committee, held in Algiers, in November

2004. This amount is in addition to the agreed statutory annual contribution of $100,000 for each country to finance the APRM secretariat. UNDP and Lesotho have contributed $2.7 million and $0.15 million, respectively, to the trust fund.

Gender mainstreaming and civil society involvement

33. NEPAD programmes have been designed and are to be implemented in a way that integrates gender aspects. In this respect, following the suggestions by different stakeholders and gender experts, in September 2004 the NEPAD secretariat established a unit to address gender issues. This demonstrates the clear commitment of the NEPAD secretariat to such issues. The newly established desk has developed a framework and a three-year Comprehensive Strategic Plan, which provides a road map for gender mainstreaming and mobilization of civil society organizations to participate in NEPAD initiatives and processes. In this context, the unit has already embarked on the gender mainstreaming and mobilization of civil society organizations at the regional and national levels. The desk is expected to develop the capacity of professional and programme staff at the secretariat on gender issues and gender mainstreaming. To promote awareness and solidarity, the unit has initiated round tables with national parliamentarians, the Pan-African Parliament, the private sector and key stakeholders to update them on NEPAD projects and gender issues at the national and sector levels. The gender mainstreaming effort will be further boosted by the planned launch of a NEPAD gender task force of experts in gender and development in December 2005. Its objective is to incorporate gender issues into NEPAD programme implementation. To strengthen the mobilization of civil society organizations in the implementation of NEPAD projects, the NEPAD secretariat devised a mechanism for mobilizing such organizations to participate in the implementation of NEPAD programmes and actions, and is currently formulating a NEPAD-civil society organizations think tank. The think tank will form the bridge between the NEPAD secretariat and the wider civil society to generate the mobilization and the participation of civil society organizations in NEPAD implementation.

III. Response of the international community

Strengthening partnership for Africa's development

34. The case for increased international support for Africa has received much impetus from two major reports published early in 2005: the United Nations Millennium Project's "Investing in development: a practical plan to achieve the Millennium Development Goals" and the Commission for Africa's "Our Common Interest". Both reports show that more and well-targeted aid is needed to help countries escape the poverty trap. The Commission for Africa and the Millennium Project show that bold and integrated strategies on a scale needed to meet the challenges are possible and can only be implemented through a strengthened partnership. Both reports also demonstrate that aid does work only if it is well targeted and supported by good policies and institutions to ensure full accountability and transparency. Having made the case for more aid for Africa, both reports respectively estimate the amount of assistance needed to achieve the Millennium Development Goals and finance specific development priorities. As summarized in

Tables 1.A and 1.B contained in the annex to the present report, the results prepared by the United Nations Millennium Project and the Commission for Africa are consistent with one another. The Millennium Project's estimates of incremental official development assistance (ODA) in 2010 and 2015 are higher because they cover the whole region and assume that only a share of current ODA directly supports the Millennium Development Goals.

35. In the lead to the Group of Eight summit, there was unprecedented mobilization of international public opinion in support of Africa. Civil society groups organized a series of events built around the "Make Poverty History" campaign and the "Live 8" concerts to press the case for increased aid, debt reduction and fairer trade deals for Africa. Similarly, the private sector organized two events in London on the eve of the summit. The first was a one-day high-level event organized by the African Business Round Table, the United Nations and the NEPAD secretariat to launch "Bending the arc" as an official collaboration platform between the United Nations and NEPAD to promote the attainment of the Millennium Development Goals in Africa. The event aimed to draw attention to the contribution that businesses can make to promote economic growth and accelerate progress towards achieving the Millennium Development Goals in Africa. The second meeting, a business campaign to support Africa's development, was organized by the Commission for Africa and the Commonwealth Business Council, with co-sponsorship of the Group of Eight and the NEPAD secretariat under the auspices of the Business Action for Africa. Its main message was that Africa deserves increasingly to be seen as a continent of opportunity. Africa's new generation of business leaders and most investors in Africa feel this growing sense of confidence and African Governments should respond more vigorously to the private sector's perspectives and experience by building a genuine partnership for growth with the private sector.

36. At the Group of Eight summit in Gleneagles, the United Kingdom, the leaders made important commitments in the area of debt relief and ODA to support African development. These commitments formed part of actions by members of the Group of Eight countries, individually and collectively, in the eight thematic areas outlined in the Group of Eight Africa Action Plan[1] adopted three years ago. The eight areas are: promoting peace and security; strengthening institutions and governance; fostering trade, investment, economic growth and sustainable development; implementing debt relief; expanding knowledge; improving health and confronting HIV/AIDS; increasing agricultural productivity; and improving water resource management.

37. Countries other than the Group of Eight offered support in several key areas of Africa's development. For example, China has formally extended the tariff exemption to 25 least developed African countries for some of their export commodities to China, covering a total of 190 items. Spain has established the VITA and NAUTA programmes to help Africa, respectively, in the areas of health and fisheries development. Monaco has cooperative arrangements to support a number of African countries in the fields of environmental protection, education and basic health. The Republic of Korea has provided duty-free market access for 87 items originating in the least developed countries, including the 34 countries from Africa. Finland has contributed to the Highly Indebted Poor Countries Initiative to provide debt relief to African countries. The Netherlands has given the equivalent of 10 per cent of its ODA for debt relief to sub-Saharan countries. Portugal has substantially

increased debt relief to African countries amounting to 0.4 per cent of its gross national income. Turkey has developed a long-term strategy to extend technical assistance to Africa.

Official development assistance

38. ODA to Africa rose from $22.2 billion in 2002 to $26.3 billion in 2003 (and ODA to sub-Saharan Africa reached $23.7 billion).[2] Data from the Organization for Economic Cooperation and Development (OECD) indicate that overall ODA to all developing countries grew from $68.5 billion in 2003 to $78.6 billion in 2004, a growth rate of approximately 14 per cent. If this applies also to Africa, it would yield significant flows to the region in 2004. The trend of increased ODA to Africa notwithstanding, the changing composition of aid flows means that there are fewer resources to support the goals of NEPAD and the Millennium Development Goals. Since 2001 the share of aid resources devoted to technical cooperation, emergency aid and debt forgiveness has risen. While this allocation responds to important objectives, their combined impact results in the reduction of budgetary support for development (see table 2). This suggests that in order for the new pledges of increased aid levels to have an impact on development, aid resources should be channelled to the key programmes and sectors of NEPAD.

39. The first half of 2005 was marked by pledges by individual members of the Group Of Eight countries to increase or even double aid to Africa. This was preceded by the fourteenth replenishment of the World Bank's International Development Association and the tenth replenishment of the African Development Fund. In addition, the States members of the European Union agreed to almost double their development assistance from 2004 to 2010, with at least 50 per cent of the increase earmarked for sub-Saharan Africa. Under this decision, 15 of the 25 States members of the Union committed themselves to increase their ODA from 0.39 per cent in 2006 to an intermediate goal of 0.56 per cent of their gross national income to ODA in 2010, with the goal of reaching 0.7 per cent in 2015. The 10 member States that joined the European Union after 2002 will endeavour to increase ODA to 0.17 per cent by 2010 and 0.33 per cent by 2015. This series of decisions paved the way for the announcement at the Gleneagles summit that the commitments by the Group Of Eight and other donors will lead to an increase in ODA to Africa of $25 billion a year by 2010, more than doubling aid to Africa compared to 2004.[3] Moreover, in the past few years, a number of developed countries have met or exceeded the target of allocation of 0.15-0.20 per cent of the 0.7 per cent of gross national income to ODA to the least developed countries, as agreed in the Brussels Programme of Action for the Least Developed Countries. The eight countries are: Norway (0.36 per cent), Belgium (0.35 per cent), Denmark (0.32 per cent), Sweden (0.27 per cent), Luxembourg (0.27 per cent), the Netherlands (0.26 per cent), Ireland (0.21 per cent) and France (0.17 per cent).

40. In parallel to the progress achieved in increasing the volume of aid to Africa, there were continuing efforts to improve the quality and effectiveness of aid. The second high-level forum on enhanced aid, held in Paris in March 2005, adopted the Paris Declaration on Aid Effectiveness, which committed the ministers from developed and developing countries and the heads of multilateral and bilateral development institutions to take far-reaching actions that can be monitored in order to reform the ways that aid is delivered and managed. In particular, they agreed to

scale up aid effectiveness in the key areas of ownership, alignment of support, harmonization, managing for results and mutual accountability. They further committed themselves to measure progress against 12 indicators of aid effectiveness with agreed target dates.

41. Complementing the global effort on aid effectiveness is the Africa-centred effort built around the work by the Economic Commission for Africa (ECA) and OECD on mutual review of development effectiveness in Africa. Initiated in 2003 at the request of the NEPAD Heads of State and Government Implementation Committee, the mutual review serves as a consultation mechanism between Africa and OECD to assess and monitor commitments and achieve goals. The first edition of this biennial report, published in April 2005 under the title "Development effectiveness in Africa — promise and performance: applying mutual accountability in practice", was discussed at the fourth meeting of the Africa Partnership Forum, held in April 2005, and at the ECA Conference of Ministers of Finance, Planning and Economic Development in May 2005. The report underlines the importance of mutual accountability at a time when large increases in aid to Africa are contemplated, emphasizing that for aid increases to be feasible, both donor and African countries' systems for aid delivery and management must be strengthened. Improving performance and accountability are thus basic values to mutual accountability. Without accountability, development performance will not improve in Africa, and without performance aid increases may not be sustainable. A decision has been reached to use the Africa Partnership Forum as a forum for identifying strategic issues that would have an accelerated impact on the implementation of NEPAD, including monitoring commitments in support of NEPAD.

Debt relief

42. Progress has been made in reducing the debt of African countries, most notably the decision by the Group Of Eight Ministers of Finance to grant a 100 per cent multilateral cancellation of the debt owed to the World Bank, the International Monetary Fund (IMF) and the African Development Bank by 18 low-income countries, 14 of which are African (Benin, Burkina Faso, Ethiopia, Ghana, Madagascar, Mali, Mauritania, Mozambique, the Niger, Rwanda, Senegal, Uganda the United Republic of Tanzania and Zambia). This agreement provides for the write-off of the $40 billion debt of these countries that have reached the Heavily Indebted Poor Countries (HIPC) Initiative completion point. The decision was prompted by the fact that, even though the HIPC Initiative had reduced up to two thirds of the beneficiary countries' total debt, several African countries still continued to face unsustainable debt levels after the completion point. The agreement will result in savings of about $1.5 billion dollars in debt service per year. Under the agreement, nine more African countries (Cameroon, Chad, the Democratic Republic of the Congo, the Gambia, Guinea, Guinea-Bissau, Malawi, Sao Tome and Principe and Sierra Leone) that have already reached the HIPC decision point and are expected to reach the completion point within a one to two-year period would become eligible for an additional $11 billion debt write-off.

43. Furthermore, the Paris Club creditors have agreed in principle on a comprehensive debt relief deal for Nigeria, with specific details to be negotiated with Nigeria in the coming months. The debt treatment would include debt reduction up to the Naples terms on eligible debts and a buy-back at market related

discount on the remaining eligible debts after reduction. It is envisaged that Nigeria will reimburse about $6 billion in arrears and obtain a debt reduction of at least 60 per cent on eligible debt, estimated at about $18 billion of about $30 billion in bilateral debt to Paris Club creditors. The agreement would be phased out in relation to appropriate IMF review.

44. The debt relief will provide several benefits to the beneficiary countries. Most notably, this will include devoting less time to tedious debt rescheduling negotiations, freeing resources for vital services in the areas of health, education and infrastructure and allowing Governments to undertake long-term planning. However, the debt agreement also has some shortcomings. For example, it excludes two groups of countries: HIPC eligible and non-HIPC countries. Nine African countries (Burundi, the Central African Republic, Comoros, the Congo, Côte d'Ivoire, Liberia, Somalia, Sudan and Togo) are technically HIPC qualified, but are yet to meet the performance criteria. These countries could benefit from the new debt relief once they qualify and reach the completion point. Moreover, initial contributions to the debt relief payments by the developed countries might come mainly from existing aid budgets rather than from new resources, further squeezing the amount of ODA for development purposes. But there are other risks as well. If the terms and conditions of debt relief are made stringent rather than relaxed, it could undercut the impact of the debt cancellation. Equally, if the current surge in oil prices continues, there is a real risk of further debt accumulation, especially among the low-income non-oil producing countries. Indeed, it is worth recalling that one of the principal causes of the debt crises for many African countries was the high oil prices of the 1970s and 1980s. Thus, achieving long-term debt sustainability might depend critically on how oil prices behave in the future as well as on the earnings from primary commodity exports.

Trade

45. While debt relief and increased ODA are important to meeting Africa's needs in the short and medium-term, trade holds the key to its long-term growth and development. However, the past year did not witness any tangible progress in international support in the area of trade. Indeed, some recent developments, such as the phasing-out of the Multi-fibre Agreement in January 2005 and the proposed European Union sugar reforms launched in June 2005 could have an adverse impact on the export prospects of some African countries, as these measures will reduce the export earnings of affected countries because of the decline in guaranteed price or volume. These adverse trends will come on top of the negative impact on African cotton exporters as a result of the continuing subsidies in industrialized countries.

46. The July 2004 Doha Round Framework Agreement and the Group Of Eight summit in Gleneagles deferred, until the World Trade Organization's meeting in Hong Kong in December 2005, the decisions with respect to specific measures of interest to Africa, such as the amount and timing of reductions to be made in import duties, quotas and subsidies. According to the Framework Agreement, advanced countries will phase out agricultural export subsidies, reduce trade-distorting domestic farm support and start negotiations to reduce cotton subsidies and other barriers to cotton trade. Yet, no end date for these subsidies has been set. Concrete decisions on target figures for cuts in agricultural and industrial tariffs, subsidies and other protection would also wait until next December.

47. In response to this situation, African Ministers of Trade have called for urgent action to eliminate domestic support for subsidies for cotton and other products and improve market access for Africa.[4] For many African countries, in particular the least developed countries, the main challenge continues to be heavy dependence on exports of a narrow number of primary commodities marked with high and volatile prices, and declining terms of trade. Diversification is central to overcoming these constraints. Some developed country Governments have initiated trade capacity-building programmes for Africa. The United States has committed over $181 million in fiscal year 2004, up 36 per cent from fiscal year 2003, for trade capacity-building in Africa. Sweden has developed long-term cooperation agreements with 15 African countries and has placed great emphasis on strengthening their productive capacity for increased trade. France has established a programme for strengthening trade capacities with an annual financial commitment of €100 million, a large part of which is targeted for African countries.

Foreign direct investment

48. Flows of foreign direct investment into Africa continued to rise, increasing from $15 billion in 2003 to $20 billion in 2004, thus matching the peak level recorded in 2001. However, on average, Africa's share in global foreign direct investment inflows remains small, accounting for only 3 per cent.

49. As a large part of the increase can be attributed to investment in natural resource exploitation driven by a strong global demand, countries that are richly endowed in such natural resources as oil, gold and diamonds have been the main beneficiaries of the upswing in foreign direct investment to Africa. Thus, Algeria, Angola, Equatorial Guinea, Libya, Mauritania, Nigeria and South Africa remain the prime destinations of foreign direct investment inflows. Liberalization of foreign direct investment policies in many African countries has also helped to attract such investment. At the same time, foreign direct investment in services has been increasing as well. For example, in South Africa in 2003, foreign direct investment in telecommunications and information technology had surpassed such investment in mining and extraction. Efforts in capacity-building and infrastructure development could boost foreign direct investment to African countries, especially in export-oriented manufacturing.

50. Discussions continue on the proposal for the creation of an investment climate facility (ICF) for Africa. The practical initiative scheduled to be launched in October 2005 seeks to identify and overcome the obstacles to the creation of a business-friendly investment climate in Africa. The facility, endorsed by the Commission for Africa and the NEPAD secretariat and supported by the key multilateral and bilateral donor agencies, aims to provide $550 million in grants over seven years to fund over 300 projects, mainly in the African countries that have signed up for the NEPAD peer review. ICF would be an independent trust led by the private sector, which would be asked to contribute $50 million, while the donor countries and possibly the United Nations system would be asked to provide $500 million. A key ICF target will be to increase the average annual growth rate in at least 12 African Peer Review Mechanism countries by two percentage points in seven years. Japan will implement the Enhanced Private Sector Assistance, providing up to $1.2 billion in five years to foster small and medium-scale enterprise activity and improve the investment climate. France is helping in the

improvement of the legal environment for business in Africa through its support for the Organisation pour l'harmonisation en Afrique du droit des affaires, the regional organization for harmonization of business law and has made a contribution of €70 million to a guarantee facility for investment. The United States Government supports foreign direct investment flows to Africa through the Overseas Private Investment Corporation (OPIC). Since 2002, OPIC has increased its approved investments in sub-Saharan Africa from $85 million to just under $2 billion.

South-South cooperation

51. The contribution that South-South cooperation can make in support of the implementation of NEPAD was highlighted at several events during the past year. The Tokyo International Conference on African Development (TICAD) Asia-Africa Trade and Investment Conference, held in Tokyo in November 2004, emphasized poverty reduction through growth as an important goal of Asia-Africa cooperation and underlined that increased trade and investment between the two regions would make a significant contribution to the implementation of NEPAD. An important follow-up action was the signing of the document entitled "TICAD-NEPAD Joint Policy Framework for the Promotion of Trade and Investment between Africa and Asia" by the Chief Executive of the NEPAD secretariat and the Personal Representative of the Prime Minister of Japan for Africa.

52. The Asian-African Summit, held in Jakarta, in April 2005, adopted a Declaration on the New Asian-African Strategic Partnership, in which Asian and African leaders not only affirmed strong support for NEPAD as the African Union's programme for growth and socio-economic development, but also endorsed the need to promote practical cooperation between the two regions in such areas as trade, tourism, investment, industry, finance, information and communication technology, energy, health, agriculture and transportation. These areas correspond to the priorities of NEPAD.

53. The Second South Summit, held in Doha in June 2005, recognized that addressing the special needs of Africa requires direct support for programmes drawn up by African leaders within the framework of NEPAD. In the Doha Plan of Action adopted at the meeting, the Summit decided to take measures and initiatives to support NEPAD and further committed itself to promote initiatives in a wide range of areas in favour of the least developed countries, the majority of which are in Africa (34 of 50). In the annex to the Plan, four African countries, namely, Benin, Kenya, Nigeria and South Africa, detailed specific areas in which they were either offering or seeking South-South cooperation, including those in NEPAD-related projects.[5]

IV. Support by the United Nations system

54. The agencies and organizations of the United Nations system have been an important pillar in the advocacy for and delivery of international support to Africa. The United Nations system plays a wide-ranging role in Africa, from emergency humanitarian aid through preventive diplomacy and peacekeeping to human rights protection and development. The support provided by the United Nations system in support of NEPAD during the past year has been detailed in the report of the

Secretary-General entitled "United Nations system support for the New Partnership for Africa's Development" (E/AC.51/2005/6). Following is a brief overview of that effort, which highlights the observations of the Secretary-General's Advisory Panel on International Support for NEPAD regarding improving the quality and coordination of United Nations system support to NEPAD.

55. Institutional support has emerged as a growing form of assistance provided by the United Nations system to African countries, the African Union and subregional organizations, as well as to the NEPAD secretariat. Institutional support has taken several forms, including seconding staff to the NEPAD secretariat, helping the NEPAD secretariat to prepare sectoral programmes, assisting in developing codes and standards, for example, in the areas of governance, and providing technical expertise in specific areas. Complementing institutional support is the advocacy work and funding provided by the United Nations system. A detailed picture of the financial resources that entities of the United Nations system have provided to Africa over the three-year period (2002-2004) are in the table annexed to the report of the Secretary-General (ibid.). The table confirms the overall picture that a lot of resources are flowing towards the humanitarian and peacekeeping operations in Africa.

56. In providing support in the various areas, the problems arising from the lack of coordination that plague bilateral development agencies also tend to afflict the operations of the United Nations system in Africa. The coordination problems are manifested in several ways, for example, in the low number of jointly implemented projects for programmes where many agencies are working, in the failure to consult sufficiently among themselves in the design of such programmes and in the heavy administrative burden that such overlapping projects impose on the host Governments. Another area where inter-agency coordination is still lacking is the United Nations system's interface with the newly established African Union. The main issue here is that the United Nations system is engaged with the African Union in much the same way as it was with the Organization of African Unity despite the African Union's expanded role and responsibilities. The need to devise a mechanism for regular and comprehensive consultations between the United Nations system and the African Union is critical to fill a major void in this area. Meanwhile, the annual regional consultations among United Nations agencies working in Africa and the thematic clusters as part of the United Nations system's effort to better organize its support to NEPAD are an important vehicle for enhancing collaboration and coherence within the United Nations system in support of NEPAD.

57. Current efforts to improve and strengthen policy coherence and operational coordination both at the country level, through instruments such as the Millennium Development Goals and the Poverty Reduction Strategy Papers, and at the regional level, through the regional consultation mechanism, are a welcome development. These efforts would need to be intensified both to alleviate the high cost of coordination imposed on African Governments and to increase the collective impact of support by the United Nations system in Africa.

58. The United Nations system has learned many lessons from agencies' experience in supporting African development over the last two decades. These can and should be drawn upon in designing support for NEPAD. The United Nations system should work together and make an active contribution so as to provide focused and coordinated support to NEPAD and help African countries to mobilize

significant financial resources for Africa's development, including for NEPAD programmes and projects, at the national and regional levels. In addition, the United Nations system should support Governments' effort to improve aid management and delivery as well as project formulation and implementation.

V. Conclusions and recommendations

59. **The recent mobilization of international public opinion for and pledges of support to Africa by its development partner Governments are a promising and welcome development. This is a moment of opportunity for making progress in Africa's development for which NEPAD is the main policy framework. The central challenge is to grasp the opportunity and maintain the momentum. This requires an acknowledgement of some challenges and constraints in the regional and international contexts. While some of these have been highlighted in the preceding parts of the present report, a few more are examined below.**

60. **One major challenge is to build the capacity of the national and regional institutions that are entrusted with the tasks of implementation of NEPAD. Endowing such institutions with technical expertise and financial resources will be critical to successful implementation. A second challenge is to ensure greater coherence and coordination between national development plans and NEPAD priorities. Whether such national plans take the form of Poverty Reduction Strategy Papers or rolling national plans, it is essential that these programmes are consistent with and contribute to achieving the priorities of NEPAD. Another challenge is promoting greater involvement of the private sector in the implementation of NEPAD programmes and projects. As it is widely recognized that the private sector is an engine of growth and development, private entrepreneurs must fully commit themselves and be encouraged to participate in the implementation of NEPAD.**

61. **Other challenges relate to the international context. One challenge is honouring commitments made. Making pledges of support is one thing and delivering the pledged support in an effective and timely manner is quite another. Slow or delayed redemption of pledges can hinder the pace of implementation, distort priorities of partner countries and lead to loss of faith in international support. Another challenge is the lack of multi-year provision of aid.**

62. **To build on the current momentum, a composite of measures is required so as to deliver on the promises already made. African countries need to continue to show their commitment to economic and social reforms through sound macroeconomic management as well as focused emphasis on the implementation of NEPAD priorities. These reforms will thrive and be sustained when fully supported.**

63. **There is thus an urgent need to translate commitments made by Africa's development partners into results. Indeed, the increased support for Africa should be matched by a renewed effort to create effective processes for aid delivery, including significantly improved coordination of aid among donors. International support must yield results-based action that unleashes Africa's economic and human potential. As such, it will be important for Africa's development partners to make quick financial outlays and in significant**

amounts for the implementation of NEPAD programmes, especially in the areas of infrastructure, agriculture, health, education, water and sanitation.

64. **Moreover, the proposed debt relief should be broadened to cover all African low-income countries and the middle-income countries that could receive substantial debt reduction. At the same time, both compensatory and short-term adjustment-oriented aid flows should be provided to African countries seriously affected by the decline in trade revenue as a result of the extension of more-favoured nation status to other countries. Indeed, a fair trade perspective requires not only market access but strengthening the capacity of African countries to export. Hence, initiatives such as the "Aid for Trade" agenda, aimed at building Africa's trade capacity to compete, should be encouraged and expanded.**

Notes

[1] See the progress report of the Group of Eight Africa Personal Representatives on the implementation of the Africa Action Plan, www. fco.gov.uk.

[2] See devdata.worldbank.org/dataonline.

[3] The details of financing commitments submitted by the European Union and individual Group of Eight members are contained in annex 2 to the Gleneagles Communiqué. See www.fco.gov.uk.

[4] See the Cairo Declaration and Road Map on the Doha Work Programme adopted by the African Union Conference of Ministers and Trade at its third ordinary session, held from 5 to 9 June 2005.

[5] See the Doha Plan of Action, Second South Summit, Doha, Qatar, 12-16 June 20005, www.g77.org.

Annex

Table 1
Estimated official development assistance needs for Africa

A. United Nations Millennium Project estimates

(Billions of United States dollars, 2003)

	2006	*2010*	*2015*
All of Africa			
Millennium Development Goal-related official development assistance (ODA) needs	37	52	84
ODA flows for the Millennium Development Goals (2003)[a]	19	19	20
Incremental ODA needs	**18**	**33**	**65**
Incremental ODA for Africa's share of Millennium Development Goal investments at the global level[b]	2	6	9

Source: Secretariat of the United Nations Millennium Project.

[a] Includes only ODA that directly supports the Millennium Development Goals. It is assumed that by 2015, 30 per cent of current non-Millennium Development Goal-related ODA can be reprogrammed towards the goals.

[b] Includes funding for global research, implementation of the Rio Conventions and technical cooperation by international organizations.

B. Commission for Africa estimates

(Billions of United States dollars, 2003)

	2010	*2015*[a]
Sub-Saharan Africa only		
National and regional ODA needs	50	75
Current ODA (2003)	25	25
Incremental ODA needs	**25**	**50**

[a] The recommendation of the Commission for Africa of a further $25 billion by 2015 is subject to improvements in African Governments' managerial and administrative capacity and improvements in the way that aid is delivered. The costings of the Commission's recommendations take no account of constraints of absorptive capacity.

Table 2

Estimated official development assistance transfers available to African Governments' budgets

(Billions of United States dollars, 2002)

		2001	*2002*	*2003*
ODA grants	(1)	14.7	17.5	20.8
Gross ODA loans	(2)	5.5	6.6	5.0
Gross ODA (1)+(2)	**(3)**	**20.2**	**24.1**	**25.9**
of which:				
Technical cooperation	(4)	4.9	5.3	5.1
Developmental food aid	(5)	0.5	0.5	0.5
Emergency aid	(6)	1.4	2.0	3.0
Grants for debt forgiveness	(7)	1.9	3.4	6.0
ODA channelled through non-governmental organizations	(8)	0.5	0.6	0.5
Maximum gross ODA paid into Government budgets (3)-(4)-(5)-(6)-(7)-(8)	**(9)**	**11.0**	**12.4**	**10.7**
Percentage of gross ODA (9)/(3)		**55%**	**51%**	**41%**
Memo items:				
Principal repayments actually made	(10)	-2.6	-2.9	-2.5
Interest repayments	(11)	-0.8	-0.9	-1.0
Maximum net transfer of ODA to Government budgets (9)-(10)+(11)	**(12)**	**7.6**	**8.5**	**7.2**
Percentage of gross ODA (12)/(3)		**38%**	**35%**	**28%**

Source: Development effectiveness in Africa — promise and performance: applying mutual accountability in practice (a joint report by ECA and OECD at the request of the NEPAD Heads of State and Government Implementation Committee), 2005.